

News

United States
Department
of Labor



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USDL 04-096
For Release: Wednesday, April 28, 2004

AVERAGE ANNUAL WAGES IN THE NEW ENGLAND STATES, 2002

Annual wages in the New England states¹ averaged \$42,013 in 2002 according to the U.S. Department of Labor's Bureau of Labor Statistics. Denis M. McSweeney, regional commissioner, noted that the New England wage level was higher than the U.S. average of \$36,764. Overall, New England wages edged up 0.4 percent from 2001, well below the 1.5-percent gain for the nation.

Among the six New England states, wage levels exceeded the nationwide average in Connecticut and Massachusetts, at \$46,852 and \$44,954, respectively. Connecticut's wage level ranked second highest in the nation in 2002, behind the District of Columbia, while Massachusetts' ranked 5th. In the remaining four states in New England, average wages ranged from \$36,176 in New Hampshire to \$29,736 in Maine.

Within the region, wage growth was strong in Rhode Island and Maine, increasing 3.6 and 3.2 percent, respectively. Rhode Island's wage increase was the third highest in the nation in 2002. Wages grew 2.7 percent in Vermont and 2.0 percent in New Hampshire, placing these states above the national average for percentage growth in wages. In contrast, Massachusetts' wage level was essentially unchanged, while Connecticut's edged down 0.3 percent. New York was the only other state in the nation to post a decline in its average annual wage, down 0.9 percent. (See table 1.)

Wage differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year wage changes may reflect shifts in these characteristics, as well as changes in the level of average wages. Annual average wage data are compiled from reports submitted by employers subject to state and federal Unemployment Insurance (UI) laws which cover 128.2 million full- and part-time workers nationwide. Average annual wages are computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of those employees. (See Technical Note.)

Wages in metropolitan areas

¹ The New England states referenced in this release are Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. This grouping corresponds to the Census definition for the New England division.

Among New England's 13 metropolitan areas, four had wage levels above the national metropolitan area average of \$38,423 in 2002. (See table 2.) Of the four, New Haven-Bridgeport-Stamford-Danbury-Waterbury, Conn., had the highest wage level in New England at \$51,170 and ranked 4th among all 318 metropolitan areas in the country, despite a 2.0 percent decline in wages over the year. Boston-Brockton-Nashua, Mass.-N.H. had the second highest wages in New England, \$45,685, followed by Hartford, Conn., \$44,387; these areas ranked 12th and 14th nationally. Four other metropolitan areas in New England placed in the top 100 for wages across the nation. These were New London-Norwich, Conn.; Burlington, Vt.; Providence-Warwick, R.I.; and Springfield, Mass. Bangor and Lewiston-Auburn, both in Maine, recorded the lowest average annual wages in New England - \$28,446 and 28,435, respectively. With these wage levels, Bangor ranked 246th in the nation and Lewiston-Auburn, 247th.

Eight metropolitan areas in the region experienced wage growth above the 1.4percent average increase for all metropolitan areas in the U.S. Lewiston-Auburn, Me. experienced the fastest wage growth, 5.0 percent. (See table 2.) Elsewhere in New England, wage gains ranged from 3.6 percent in Providence-Warwick, R.I., and Pittsfield and Springfield, both in Mass., to 0.4 percent in New London-Norwich, Conn. Wages were down over the year in two areas in the region, New Haven-Bridgeport-Stamford-Danbury-Waterbury, Conn. (-2.0 percent), and Boston-Brockton-Nashua, Mass.-N.H. (-0.2 percent), joining twelve other metropolitan areas nationwide with pay declines.

Wages in industries

In four of the New England states, private industry wages grew faster than the 1.1-percent national rate of increase in 2002. Rhode Island had the highest rate of growth at 3.3 percent, with annual average wages rising in 13 of the 14 industries for which data are published; only the information industry registered a decrease, with pay down 5.4 percent. Private sector wages were also up in Maine (3.0 percent), Vermont (2.3 percent), and New Hampshire (1.8 percent). The remaining two states, Connecticut and Massachusetts, experienced declines in private industry pay, down 0.7 and 0.6 percent, respectively. Management of companies and enterprises experienced the biggest drop in wages in both states, declining 7.8 percent in Connecticut and 3.9 percent in Massachusetts. (See table 3.)

No one industry had wages that dominated in all the New England states. The highest wage levels in three of the six states -- Maine, New Hampshire, and Rhode Island -- occurred in the management of companies and enterprises industry. Nationally, management of companies and enterprises was also the highest paying at \$69,277; however, only one New England state had pay exceeding the national industry average, Connecticut (\$96,698). In Vermont, utilities had the highest annual wages averaging \$70,366; nationwide this industry ranked second. Finance and insurance was the top paying industry in Connecticut and Massachusetts, with Connecticut's wage level of \$98,204 the highest in the region for any industry. Accommodation and food service, which has a large percentage of part-time workers, was the lowest-paid industry in every state in New England, a position it held at the national level as well.

Beginning in October 2002, *quarterly* data are available for selected Quarterly Census of Employment and Wages series. Contact the Boston Information office at 617-565-2327, or access the BLS Internet site at <http://data.bls.gov/labjava/outside.jsp?survey=en>

TECHNICAL NOTE

Background

These data are the product of a federal-state cooperative program, the Quarterly Census of Employment and Wages (QCEW) program, also known as the ES-202 program. The data are derived from summaries of employment and total pay of workers covered by state and federal unemployment insurance (UI) legislation and provided by State Employment Security Agencies (SESAs). The summaries are a by-product of the administration of state unemployment insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual pay data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 2002, UI and UCFE programs covered workers in 128.2 million jobs. Covered workers received \$4.713 trillion in pay, representing 94.3 percent of the wage and salary component of personal income and 45.1 percent of the gross domestic product.

Major exclusions from UI coverage include self-employed workers, most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Concepts and methodology

Average annual wages was computed by dividing total annual wages of employees covered by UI programs by the average monthly number of these employees. In addition to salaries, average annual wages data include bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans, and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month.

Average annual wages are affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations. When comparing average annual wage levels between industries and/or states, these factors should be taken into

consideration. Annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer. Also, year-to-year changes in average annual wages can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual wages.

In order to insure the highest possible quality of data, SESAs verify with employers and update, if necessary, the industry, location, and ownership classification of all establishments on a 3-year cycle. Changes in establishment classification codes resulting from the verification process are introduced with the data reported for the first quarter of the year. Changes resulting from improved employer reporting also are introduced in the first quarter. For these reasons, some data, especially at more detailed industry levels, may not be strictly comparable with earlier years.

A few covered employers provided insufficient information on the nature of their businesses to enable the SESA to assign a specific NAICS code. The establishments of these employers therefore could not be classified by industry sector. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 30, 1999 (OMB Bulletin No. 99-04). The 318 metropolitan areas in the United States are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, an MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,000 (75,000 in New England). A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

Additional statistics and other information

Additional average annual wage data (or Quarterly Census of Employment and Wages data) are available on the BLS Internet site at <http://www.bls.gov/cew/home.htm>. Beginning in October 2002, quarterly data are available for selected QCEW series. Data can be accessed in several ways, including *Selective Access*, which allows quick access to particular items, and the special request FTP service, which allows access to extensive collection of flat text files. The Boston Information Office can provide assistance accessing these files by calling (617) 565-2327.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site <http://www.bls.gov/ro1/home.htm>.

An annual bulletin, *Employment and Wages*, features comprehensive information by detailed industry on establishments, employment, and wages for the nation and all states. *Employment and Wages Annual Averages, 2002* is available for sale from the BLS Publications

Sales Center, P.O. Box 2145, Chicago, Illinois 60690, telephone 312-353-1880. The bulletin is now available in a portable document format (PDF) on the BLS Web site at <http://www.bls.gov/cew/cewbultn02.htm>.

News releases on quarterly measures of gross job flows also are available upon request from the Division of Administrative Statistics and Labor Turnover (Business Employment Dynamics), telephone 202-691-6467; (<http://www.bls.gov/bdm/>); (e-mail: BDMInfo@bls.gov).

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339. For personal assistance or further information on annual average pay data as well as other Bureau programs, contact the Boston Information Office at (617) 565-2327 from 8:30 a.m. to 12:00 p.m. and 1:30 p.m. to 4:00 p.m. eastern time.

Table 1. Average annual wages for 2001 and 2002 for all covered workers¹ by New England States

Area	Average annual wages		Percent change 2001-02
	2001	2002	
United States ²	\$36,219	\$36,764	1.5
New England States.....	41,830	42,013	0.4
Connecticut.....	46,993	46,852	-0.3
Maine.....	28,815	29,736	3.2
Massachusetts.....	44,975	44,954	0.0
New Hampshire.....	35,481	36,176	2.0
Rhode Island.....	33,603	34,810	3.6
Vermont.....	30,238	31,041	2.7

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Totals for the United States do not include data for Puerto Rico and the Virgin Islands.

Table 2. Average annual wages for 2001 and 2002 for all covered workers¹ by metropolitan area² in all New England States

Metropolitan areas ²	Average annual wages ³		
	2001	2002	Percent change 2001-02
All U.S. Metropolitan areas ⁴	\$37,908	\$38,423	1.4
Bangor, ME.....	27,850	28,446	2.1
New Haven-Bridgeport-Stamford-Danbury- Waterbury, CT.....	52,198	51,170	-2.0
New London-Norwich, CT.....	38,505	38,650	0.4
Barnstable-Yarmouth, MA.....	31,025	32,028	3.2
Boston-Brockton-Nashua, MA-NH.....	45,766	45,685	-0.2
Burlington, VT.....	34,363	35,169	2.3
Hartford, CT.....	43,880	44,387	1.2
Pittsfield, MA.....	31,561	32,707	3.6
Portland, ME.....	32,327	33,309	3.0
Providence-Warwick, RI.....	33,403	34,610	3.6
Springfield, MA.....	32,801	33,972	3.6
Lewiston-Auburn, ME.....	27,092	28,435	5.0

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as defined by OMB Bulletin No. 99-04.

³ Each year's total is based on the MSA definition for the specific year. Annual changes include differences resulting from changes in MSA definitions.

⁴ Totals do not include the six MSAs within Puerto Rico.

Table 3. Average annual wages for 2001 and 2002 by NAICS Industry for all covered workers¹ by New England States

State and industry	Average annual wages		Percent change 2001-02
	2001	2002	
United States ²			
Private			
Total ³	\$36,157	\$36,539	1.1
Agriculture, forestry, fishing and hunting	20,188	20,890	3.5
Mining	59,686	60,392	1.2
Construction	38,412	39,027	1.6
Manufacturing	42,969	44,097	2.6
Wholesale trade	48,791	49,241	0.9
Retail trade	22,667	23,232	2.5
Transportation and warehousing	36,189	36,823	1.8
Utilities	65,561	67,374	2.8
Information	57,288	56,103	-2.1
Finance and insurance	63,687	62,762	-1.5
Real estate and rental and leasing	32,871	33,924	3.2
Professional and technical services	58,755	58,672	-0.1
Management of companies and enterprises	68,965	69,277	0.5
Administrative and waste services	24,443	25,276	3.4
Educational services	32,066	33,163	3.4
Health care and social assistant	32,813	34,043	3.7
Arts, entertainment and recreation	25,344	26,159	3.2
Accommodation and food services	13,674	13,946	2.0
Other services, except public administration	23,220	23,784	2.4
Government	36,549	37,935	3.8
Connecticut			
Private			
Total ³	\$47,733	\$47,389	-0.7
Agriculture, forestry, fishing and hunting	23,928	24,596	2.8
Mining	50,953	53,105	4.2
Construction	48,180	48,346	0.3
Manufacturing	55,723	55,946	0.4
Wholesale trade	65,661	64,576	-1.7
Retail trade	27,015	27,131	0.4
Transportation and warehousing	34,813	35,938	3.2
Utilities	78,095	73,878	-5.4
Information	57,703	56,160	-2.7
Finance and insurance	98,216	98,204	0.0
Real estate and rental and leasing	42,364	42,814	1.1
Professional and technical services	72,751	69,743	-4.1
Management of companies and enterprises	104,824	96,698	-7.8
Administrative and waste services	28,631	29,377	2.6
Educational services	40,325	42,058	4.3
Health care and social assistant	36,616	37,819	3.3
Arts, entertainment and recreation	24,570	23,251	-5.4
Accommodation and food services	15,514	15,849	2.2
Other services, except public administration	25,770	26,325	2.2
Government	42,493	43,694	2.8

See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS Industry for all covered workers¹ by New England States-continued

State and industry	Average annual wages		Percent change in wages
	2001	2002	
Maine			
Private			
Total ³	\$28,397	\$29,239	3.0
Agriculture, forestry, fishing and hunting	24,894	25,202	1.2
Mining	27,020	29,439	9.0
Construction	32,488	32,644	0.5
Manufacturing	36,448	38,152	4.7
Wholesale trade	39,981	41,170	3.0
Retail trade	19,837	20,541	3.5
Transportation and warehousing	28,818	29,280	1.6
Utilities	49,888	51,827	3.9
Information	36,046	37,185	3.2
Finance and insurance	41,063	42,706	4.0
Real estate and rental and leasing	24,353	25,859	6.2
Professional and technical services	39,960	42,054	5.2
Management of companies and enterprises	51,210	52,089	1.7
Administrative and waste services	22,962	23,351	1.7
Educational services	29,097	30,587	5.1
Health care and social assistant	29,093	30,119	3.5
Arts, entertainment and recreation	16,472	16,385	-0.5
Accommodation and food services	12,334	12,831	4.0
Other services, except public administration	20,401	21,041	3.1
Government	30,960	32,227	4.1
Massachusetts			
Private			
Total ³	\$45,561	\$45,305	-0.6
Agriculture, forestry, fishing and hunting	31,625	33,517	6.0
Mining	47,084	47,930	1.8
Construction	50,795	52,160	2.7
Manufacturing	54,451	55,238	1.4
Wholesale trade	61,871	61,078	-1.3
Retail trade	24,794	25,189	1.6
Transportation and warehousing	34,767	35,790	2.9
Utilities	76,828	77,708	1.1
Information	66,952	66,463	-0.7
Finance and insurance	87,572	85,362	-2.5
Real estate and rental and leasing	43,240	44,442	2.8
Professional and technical services	74,589	73,085	-2.0
Management of companies and enterprises	66,563	63,996	-3.9
Administrative and waste services	30,323	30,805	1.6
Educational services	40,913	42,929	4.9
Health care and social assistant	35,971	37,417	4.0
Arts, entertainment and recreation	28,088	28,295	0.7
Accommodation and food services	16,185	16,299	0.7
Other services, except public administration	24,729	25,021	1.2
Government	40,928	42,574	4.0

See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS Industry for all covered workers¹ by New England States-continued

State and industry	Average annual wages		Percent change in wages
	2001	2002	
New Hampshire			
Private			
Total ³	\$35,955	\$36,594	1.8
Agriculture, forestry, fishing and hunting	23,484	23,334	-0.6
Mining	44,034	46,988	6.7
Construction	42,122	43,766	3.9
Manufacturing	44,710	46,109	3.1
Wholesale trade	59,889	59,316	-1.0
Retail trade	23,156	23,881	3.1
Transportation and warehousing	30,243	30,781	1.8
Utilities	64,394	66,459	3.2
Information	55,986	54,703	-2.3
Finance and insurance	53,508	56,317	5.2
Real estate and rental and leasing	30,172	34,415	14.1
Professional and technical services	57,108	57,078	-0.1
Management of companies and enterprises	68,936	67,309	-2.4
Administrative and waste services	28,096	29,059	3.4
Educational services	31,033	34,107	9.9
Health care and social assistant	33,253	34,937	5.1
Arts, entertainment and recreation	16,607	16,331	-1.7
Accommodation and food services	14,056	14,368	2.2
Other services, except public administration	24,991	25,993	4.0
Government	32,301	33,515	3.8
Rhode Island			
Private			
Total ³	\$32,179	\$33,240	3.3
Agriculture, forestry, fishing and hunting	(4)	(4)	(4)
Mining	(4)	(4)	(4)
Construction	40,424	(4)	(4)
Manufacturing	36,748	38,075	3.6
Wholesale trade	47,084	47,933	1.8
Retail trade	21,974	22,989	4.6
Transportation and warehousing	(4)	(4)	(4)
Utilities	(4)	(4)	(4)
Information	51,279	48,491	-5.4
Finance and insurance	48,608	51,243	5.4
Real estate and rental and leasing	30,025	31,182	3.9
Professional and technical services	48,704	50,234	3.1
Management of companies and enterprises	62,435	63,890	2.3
Administrative and waste services	22,030	22,138	0.5
Educational services	34,532	35,578	3.0
Health care and social assistant	30,897	33,108	7.2
Arts, entertainment and recreation	18,588	19,529	5.1
Accommodation and food services	13,413	13,894	3.6
Other services, except public administration	21,701	22,438	3.4
Government	42,620	44,636	4.7

See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS Industry for all covered workers¹ by New England States-continued

State and industry	Average annual wages		Percent change in wages
	2001	2002	
Vermont			
Private			
Total ³	\$29,918	\$30,613	2.3
Agriculture, forestry, fishing and hunting	20,664	21,181	2.5
Mining	35,152	39,056	11.1
Construction	32,777	32,821	0.1
Manufacturing	41,451	42,860	3.4
Wholesale trade	41,108	42,756	4.0
Retail trade	20,893	21,612	3.4
Transportation and warehousing	30,189	30,601	1.4
Utilities	64,651	70,366	8.8
Information	35,328	(4)	(4)
Finance and insurance	44,442	46,172	3.9
Real estate and rental and leasing	25,629	26,912	5.0
Professional and technical services	43,280	43,907	1.4
Management of companies and enterprises	46,977	57,565	22.5
Administrative and waste services	23,035	23,882	3.7
Educational services	29,308	30,043	2.5
Health care and social assistant	28,867	29,710	2.9
Arts, entertainment and recreation	16,142	15,724	-2.6
Accommodation and food services	13,989	14,561	4.1
Other services, except public administration	21,420	(4)	(4)
Government	31,899	33,198	4.1

1 Includes workers covered by the Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs

2 Totals for the United States do not include data for Puerto Rico and the Virgin Islands

3 Includes other industries, not shown separately.

4 Data do not meet BLS or State agency disclosure standards